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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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MAY 30 1997

Federal Communications Commission
Office of Secretary

In the Matter of)

Implementation of the Pay Telephone)
Reclassification and Compensation)
Provisions of the Telecommunications)
Act of 1996)

CC Docket No. 96-128

REPLY OF THE
AMERICAN PUBLIC COMMUNICATIONS COUNCIL TO
OPPOSITIONS TO APCC'S PETITION FOR CLARIFICATION
OR IN THE ALTERNATIVE RECONSIDERATION

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Pursuant to Section 1.106 of the Commission's Rules, 47 CFR § 1.106, the American Public Communications Council ("APCC")¹ hereby submits its reply to oppositions to its May 5, 1997 petition for further clarification or, in the alternative, for reconsideration of the Common Carrier Bureau's April 4, 1997 Clarification Order.² On

¹ APCC is a national trade association of some 1,200 independent (non-telephone company) providers of pay telephone equipment and services. APCC's purpose is to promote fair competition and high standards of service in the payphone and public communications markets.

² Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996, CC Docket No. 96-128, Order, DA 97-678, released April 4, 1997 (CCB) ("Clarification Order"). The Clarification Order clarified Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996, CC Docket No. 96-128, Report and Order, FCC 96-388, released September 20, 1996 ("Payphone Order"), Order on Reconsideration, FCC 96-439, released November 8, 1996 ("Reconsideration Order"). The Payphone Order and Reconsideration Order and Clarification Order are referred to collectively herein as the Payphone Orders.

May 20, 1997, U S West Communications, Inc. ("U S West") and BellSouth Corporation and BellSouth Telecommunications, Inc. ("BellSouth") filed oppositions to APCC's Petition. Focusing almost exclusively on procedural points and side issues, U S West and BellSouth fail to squarely address the merits of APCC's Petition. APCC's petition stands un rebutted and should be granted without delay.

I. BELLSOUTH'S OPPOSITION IS WITHOUT MERIT

APCC requested further clarification of the federal tariffing requirement because, even though the Bureau's Clarification Order *expressly identified* call screening and call blocking services as "payphone-specific, network-based" features that must be federally tariffed when offered on an unbundled basis (Clarification Order, ¶ 18 & n.49), a number of local exchange carriers ("LECs"), including U S West and BellSouth, are refusing to federally tariff blocking and screening services that are critical to payphone service providers ("PSPs").

BellSouth's Opposition almost completely disregards the substantive issues raised in APCC's petition. BellSouth provides no explanation of how it interprets the Clarification Order or why BellSouth believes it is not required to federally tariff its screening and blocking service.

Instead of addressing the merits, BellSouth argues that APCC's petition is an untimely petition for reconsideration of the Payphone Orders or an "attempt to cajole this Commission into withholding" payphone compensation from BellSouth. BellSouth Opp. at 1, 2.

These claims are obviously without merit. As APCC's petition makes clear, APCC seeks clarification that LECs must federally tariff their call blocking and screening services - services that the Clarification Order specifically directs LECs to federally tariff when offered as an unbundled basis. Clarification Order, ¶ 18 & n.49. APCC is not seeking to relitigate any arguments that were rejected in any of the Payphone Orders. Nor is APCC's petition an attempt to deprive BellSouth of compensation. It is BellSouth that is continually refusing to file federal tariffs for call screening services that are critically needed by PSPs (see below) and grossly overpriced in BellSouth's state tariffs.³ BellSouth can easily remove, at least prospectively, this impediment to its eligibility for payphone compensation by filing a federal tariff that meets the new services test.⁴

II. U S WEST'S OPPOSITION IS WITHOUT MERIT

U S West's Opposition primarily restates U S West's position that CUSTOMNET, which U S West admits is a call screening service, is not

³ As shown in Exhibit 1 of the April 14, 1997 ex parte letter of John F. Beach, attached as Exhibit 4 to APCC's petition, BellSouth's blocking and screening services are among the highest-priced of any major LEC. In the South Carolina tariff, the price is \$3 or \$4 per line per month for outgoing call screening, plus an additional dollar per line per month for billed number screening. As shown in recently submitted cost data of U S West and several other major LECs, these services generally cost the LEC only pennies per line per month. See Attachments 1-3.

⁴ BellSouth claims that federal tariff filings involve "extraordinary trouble and expense." BellSouth Opp. at 3, n.6. Any administrative expense should be minimal, since the same cost standard applies at both the federal and state levels. Clarification Order, ¶ 19. Thus, assuming BellSouth brings its state tariffs for these services into compliance, as it is required to do, the same cost studies and rates can be used for BellSouth's federal tariff.

"payphone-specific" because 70% of the lines subscribed to CUSTOMNET allegedly are non-payphone lines. U S West Opp. at 4.

This constricted interpretation of the Clarification Order⁵ is merely a convenient excuse for withdrawing U S West's clearly unsupportable federal tariff charges for CUSTOMNET. U S West proposed to charge \$5.00 for CUSTOMNET even though it costs U S West only \$0.01 to provide CUSTOMNET.⁶ Apparently, U S West would prefer to avoid the Commission's scrutiny of U S West's compliance with the cost standard of the Payphone Orders.

The Bureau stated in the Clarification Order that payphone-specific features and functions "do not include . . . features and functions that [1] are generally available to all local exchange customers *and* [2] are only incidental to payphone service" Clarification Order, ¶ 18 (emphasis added). Thus, if a LEC such as U S West claims that a service need not be federally tariffed because it is not payphone-specific, it must make *both* of these showings.

U S West claims that its CUSTOMNET service is generally available to all local exchange customers. U S West completely disregards the requirement that in order to be excused from its obligation to federally tariff CUSTOMNET, it must also show that it is a

⁵ U S West claims that the Bureau's Clarification Order narrowed the scope of the federal tariffing requirement adopted in the Payphone Orders. U S West Opposition at 3. The Bureau is without authority to reconsider or modify requirements adopted by the Commission in rulemaking proceedings. See 47 CFR § 1.429(a).

⁶ See U S West Communications, Inc., Revision of Tariff F.C.C. No. 5, Transmittal No. 823, Petition of the American Public Communications Council to Suspend and Investigate, filed February 10, 1997, at 5 and Attachment 2.

service that is only "incidental" to payphone service. CUSTOMNET is clearly not "incidental" but essential⁷ to payphone service. First, in order to qualify for compensation under the Payphone Orders, PSPs are required to subscribe to services (such as CUSTOMNET) that transmit "discrete" screening codes identifying the call as originating from a payphone line.⁸ Second, the Commission has recognized that call screening and blocking services are critical in preventing fraud.⁹ The Bureau should construe U S West's silence on this issue as an admission that CUSTOMNET is not "incidental" to payphone service.¹⁰

⁷ The percentage of CUSTOMNET-subscribed lines that are payphone lines is not relevant to determining whether CUSTOMNET is "incidental" or "essential" to payphone service. Although the percentage of U S West's Public Access Lines (or "COCOT") lines that subscribe to CUSTOMNET *is* arguably relevant to determining the importance of CUSTOMNET to payphone service providers, U S West still fails to provide this data.

⁸ Reconsideration Order, ¶ 94. U S West states that there are still "numerous" call blocking and screening services tariffed at the federal level: Billed Number Screening, Call Blocking for 10XXX1+/10XXX011+, and International Blocking. However, none of these services provides for transmission, on outgoing calls, of the screening codes necessary to qualify the PSPs for compensation.

⁹ See, e.g., Policy and Rules Concerning Operator Service Access and Pay Telephone Compensation, CC Docket No. 91-35, 7 FCC Rcd 4355, 4359-62 (requiring LECs to offer certain blocking and screening services).

¹⁰ U S West acknowledges that its own payphone operation uses CUSTOMNET. U S West then claims that its use of CUSTOMNET is limited to "approximately 20 percent" of U S West's payphone lines. This is a very large percentage, considering that U S West, like other LECs, historically has used almost exclusively "dumb" payphones with "smart" payphone lines. With U S West's Smart PAL (or "coin line") service, it is not necessary to subscribe to (and pay additional charges for) CUSTOMNET in order to obtain outgoing call screening, because Smart PAL *includes* call screening services. See Attachment 4, an excerpt from U S West Inc.'s Comparably Efficient Interconnection Plan for Payphone Services, filed January 6, 1997 in CC Docket No. 96-128. The fact that call screening is automatically included in Smart PAL service is further evidence that call

(Footnote continued)

III. FEDERAL TARIFFING OF UNBUNDLED FEATURES AND FUNCTIONS IS AT LEAST AS IMPORTANT AS FEDERAL TARIFFING OF BASIC SERVICE ELEMENTS

In defining the features that must be federally tariffed, the Bureau states that unbundled features are similar to basic service elements ("BSEs") under the Computer III Open Network Architecture ("ONA") regulatory framework.¹¹ In accordance with the ONA regulatory framework, "payphone-specific" features include "features that [a PSP] may require or find useful in configuring its [payphone] service."¹² U S West and BellSouth claim that this standard is too vague or too broad. However, this standard has already successfully been applied under the ONA regulatory framework.

Moreover, public policy favors an over-inclusive standard rather than an under-inclusive standard. When implementing Section 276, the Bureau should keep in mind that LECs have historically dominated the payphone market and impeded independent PSPs from offering new competition. In the BOC ONA Order, by contrast, the Commission was implementing a regulatory framework that enabled the Bell Operating Companies ("BOCs") to enter the enhanced service market for the first time. In other

(Footnote continued)
screening is "payphone-specific."

¹¹ E.g., Clarification Order, ¶¶ 9 & n.25, 17 (citing Computer III line of cases). In Computer III, the Commission sought to create competition in, and to promote development of, the enhanced service industry. Likewise, in the Payphone Orders, the Commission is implementing the dual goals of Section 276, "promoting both competition among [PSPs] and the widespread deployment of payphone services to the benefit of the general public." Clarification Order, ¶ 3.

¹² Clarification Order, ¶ 17 (citing Filing and Review of Open Network Architecture Plans, Phase I, Memorandum Opinion and Order, FCC 88-381, 4 FCC Rcd 1 (1988) ("BOC ONA Order")).

words, in these proceedings there is an even greater need for the Bureau to be vigilant in protecting against anti-competitive behavior because the Commission must facilitate the transition of the payphone industry from an industry monopolized by the BOCs to a competitive industry. The need for keeping adequate checks on the BOCs is demonstrated, for example, by U S West's \$5.00 rate for CUSTOMNET, when U S West's cost of providing the service is only \$0.01.

At a minimum, the Bureau should clarify that "payphone-specific" includes features such as call blocking and screening that are generally recognized to be vitally important (and thus, not merely "incidental") in the provision of payphone service.

In short, the Bureau should reject interpretations of the Clarification Order that hinder payphone competitors from obtaining critical network services at reasonable, cost-based rates. APCC's requested clarification is therefore not only appropriate, but given the attempts of U S West and BellSouth to evade the federal tariffing requirements, APCC's requested clarification is necessary.

IV. "UNBUNDLED" FEATURES SHOULD INCLUDE ALL FEATURES THAT ARE AVAILABLE BUT NOT AUTOMATICALLY PROVIDED WITH THE BASIC PAYPHONE LINE

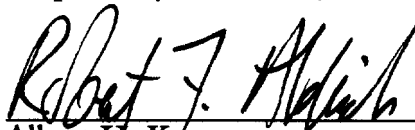
Neither U S West, BellSouth nor any other party has opposed APCC's requested clarification that if a "smart" or "dumb" payphone line can be purchased for different prices depending on whether it is ordered with or without a certain feature, then the feature is "unbundled." LECs should not be permitted to escape the federal tariffing requirements simply by presenting their tariffs a certain way.

CONCLUSION

For the reasons set forth herein and in APCC's Petition for Clarification or in the Alternative Reconsideration, the Bureau should clarify (or in the alternative grant reconsideration and declare) that "payphone-specific" features include all features that PSPs "may require or find useful in configuring [their payphone] service," whether or not a majority of subscribers to the feature are PSPs. Second, the Bureau should clarify that "unbundled" features are those features that are substantively available but not automatically provided with a basic payphone line, regardless of how the LECs tariffs are phrased.

Dated: May 30, 1997

Respectfully submitted,



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ATTACHMENT 1

**COST DATA FILED BY
SOUTHWESTERN BELL
TO SUPPORT ITS SELECTIVE CLASS
OF CALL SCREENING SERVICE
(TRANSMITTAL NO. 2608, filed JANUARY 15, 1997)**

ACCESS SERVICE

13. Additional Engineering, Additional Labor and Miscellaneous Services (Cont'd)13.3 Miscellaneous Services (Cont'd)13.3.12 Selective Class of Call Screening (SCOCS)

An optional service available, where facilities permit, in Telephone Company electronic end offices. This service restricts outgoing 1+, 0+ and 0- calls placed over the Telephone Company's network, to only those calls which are charged to a number other than the originating number, i.e., collect, third number billed or Calling Card. Selective Class of Call Screening is available for use with line side General Exchange Tariff services that are provided for the provision of telecommunication services to transient members of the public.

Selective Class of Call Screening is offered in three basic types. The applicable recurring rate and nonrecurring charge will depend upon the type selected. These rates and charges can be found in Section 13.4.15.

(1) Type I, Basic SCOCS

An outgoing 1+ call will not be permitted unless the end user makes arrangements to have the call billed to a called telephone number (Collect), a third number or a Calling Card account.

(2) Type II, Collect Only-Inmate Calls

Only an outgoing call billed to a called number (Collect) is permitted.

(3) Type III, Coinless Only SCOCS

An outgoing call will not be permitted unless the end user makes arrangements to have the call billed to a called telephone number (Collect), a third number or a Calling Card account.

(x) Filed under the authority of Special Permission No. 97-009.

(This page filed under Transmittal No. 2608)

Issued: January 15, 1997

Effective: April 15, 1997

One Bell Center, St. Louis, Missouri 63101

ANSWER SUPERVISION-LINE SIDE
AND
SELECTIVE CLASS OF CALL SCREENING
COST/RATE SUMMARY WORKSHEET

	COMPANY AVERAGE COST/RATES	PROPOSED INTERSTATE RATE	RECURRING COST/RATE RATIO	RECURRING COST/INVESTMENT RATIO
ANSWER SUPERVISION-LINE SIDE				
Recurring				
Rate	\$10.60	\$10.00	0.16	0.421272
Cost	\$1.60			
Nonrecurring	\$9.20	\$10.00		
	\$6.70			
SELECTIVE CLASS OF CALL SCREENING (SCOCS)				
Recurring				
SCOCS Type I				
Rate	\$1.60	\$5.00	0.0036	0.411215
Cost	0.018			
SCOCS Type II				
Rate	\$1.60	\$5.00	0.0036	
Cost	0.018			
SCOCS Type III				
Rate	\$1.60	\$5.00	0.0036	
Cost	0.018			
Nonrecurring				
SCOCS Type I				
Rate	\$15.50	\$20.00		
Cost	\$2.94			
SCOCS Type II				
Rate	\$14.90	\$15.00		
Cost	\$2.94			
SCOCS Type III				
Rate	\$14.80	\$15.00		
Cost	\$2.94			

ATTACHMENT 2

**COST DATA FILED BY
U S WEST
TO SUPPORT ITS CUSTOMNET
BLOCKING AND SCREENING SERVICE
(TRANSMITTAL NO. 823, filed JANUARY 15, 1997)**

PUBLIC REL. PRICE COPY

U S WEST Communications
ACCESS SERVICE

TARIFF F.C.C. No. 5
ORIGINAL PAGE 13-41.10

13. ADDITIONAL ENGINEERING, ADDITIONAL LABOR
AND MISCELLANEOUS SERVICES

13.3 MISCELLANEOUS SERVICES

(T)

13.3.19 BASIC PUBLIC ACCESS LINE (PAL) OPTIONAL FEATURES ((Cont'd)

(N)

C. *CUSTOMNET* Service

CUSTOMNET Service provides toll access screening options which allow a customer to restrict the classes of chargeable calls originating over some or all of their lines. *CUSTOMNET* Service enables a customer, by means of Company operator identification, to provide toll access but restrict (0/0+) outgoing toll calls to only those calls which are charged to the called telephone (collect), a third number, and/or calling card.

CUSTOMNET Service is offered to individual PAL customers. Two options, described below, are available with this service. The provision of this service may require some customers to change their existing telephone number.

• Option 1

All local and nonchargeable calls, e.g., calls to 800/800-type service numbers, and calls to Company numbers such as repair and public emergency service numbers (such as 911) will be permitted. Calls dialed 1+, including calls to Directory Assistance, will not be permitted. Calls dialed 0/0+ to Directory Assistance will be permitted if alternate billing is provided.

• Option 2

All local calls, nonchargeable calls and calls dialed 1+ will be permitted. With this option, the customer assumes responsibility for all calls dialed 1+ and indemnifies and saves the Company harmless against claims resulting from abuse or fraudulent use of the service.

CUSTOMNET Service is furnished where facilities and operating conditions permit for Basic PAL Service. The Company reserves the right to restrict the screening classes or combinations of classes to standard arrangements. Toll Restriction cannot be applied to lines using *CUSTOMNET* Service. Rates are set forth in 13.4.3., following.

(N)

(Filed under Transmittal No. 823.)

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Effective: April 15, 1997

RECURRING COST

CUSTOMNET, per line

A.	Total Unit Investment	\$	0.22
B.	Capital Expenses		
	Depreciation	\$	0.02
	Cost of Money	\$	0.01
	Income Tax	\$	0.01
	Total	\$	0.04
C.	Operating Expenses		
	Maintenance	\$	0.01
	Ad Valorem	\$	0.00
	Administrative	\$	0.02
	Business Fees	\$	0.00
	Total	\$	0.03
D.	Total Annual Direct Unit Cost (B + C)	\$	0.07
E.	Total Monthly Direct Unit Cost (D/12)	\$	0.01
F.	Total Direct Unit Cost/Total Investment (D/A)		0.318

ATTACHMENT 3

**COST DATA FILED BY
BELL ATLANTIC
TO SUPPORT BLOCKING
AND SCREENING SERVICES
(TRANSMITTAL NO. 962, filed MAY 19, 1997)**

ACCESS SERVICE

13. Additional Engineering, Additional Labor and Miscellaneous Services
(Cont'd)13.3 Miscellaneous Services (Cont'd)13.3.15 Optional Features for Payphone Access Lines

The following optional features are applicable only to Payphone Access Lines and may not be purchased in conjunction with any other type of service. These features are available for use only with lineside services offered in the Telephone Company's local or general exchange tariffs. These features are not available with Feature Group A or Lineside BSA Services.

Rates and charges for these optional features will consist of a monthly charge per optional feature. This monthly charge will be applied on a per line basis. A per line nonrecurring charge will also apply. In addition, a nonrecurring Service Order Charge will be applied per service order. The aforementioned nonrecurring charges will only apply when the optional feature is subsequently ordered to an existing line.

<u>Service Order Charge</u>	<u>USOC</u>	<u>Nonrecurring Charge</u>
- per service order		\$31.50

(A) Inward Call Blocking

Inward Blocking, available in Delaware and Pennsylvania only, is an optional arrangement which prevents incoming calls from being received.

	<u>USOC</u>	<u>Nonrecurring Charge</u>	<u>Monthly Rate</u>
per line		\$2.00	\$1.50

(B) Outward Call Blocking

Outward Call Blocking, available in Delaware and Pennsylvania only, is an optional arrangement which restricts all chargeable calls to alternately billed operator-handled calls (collect, third party billed, or calling card).

	<u>USOC</u>	<u>Nonrecurring Charge</u>	<u>Monthly Rate</u>
per line		\$2.00	\$1.50

(C) Outward Call Screening

Outward Call Screening, available in Washington, D.C., Maryland, Virginia, West Virginia, and New Jersey only, is an optional arrangement, available where facilities permit in Telephone Company's electronic end offices. This feature provides an indicator to restrict outgoing operator calls to collect, third number billed, or calling card.

	<u>USOC</u>	<u>Nonrecurring Charge</u>	<u>Monthly Rate</u>
per line		\$2.00	\$1.50

(This page filed under Transmittal No. 962)

Issued: May 19, 1997

Effective: June 3, 1997

Vice President
1310 North Court House Road, Arlington, Virginia 22201

Bell Atlantic
Outward Call Screening
Recurring Cost Development

<u>Category</u>	<u>Source</u>	
1. Unit Investment	Cost Study	\$.01260
2. Depreciation	Cost Study	\$.00180
3. Cost of Money	Cost Study	\$.00120
4. Income Tax	Cost Study	\$.00060
5. Maintenance	Cost Study	\$.00100
6. Administration	Cost Study	\$.00040
7. Other Tax	Cost Study	\$.00020
8. Annual Direct Costs	L2 + ...L7	\$.00520
9. Monthly Direct Investment Costs	L8 / 12	\$.00043
10. Proposed Monthly Rate		\$1.50
11. Annual Cost / Investment Ratio	L8 / L1	.41270
12. Cost / Monthly Rate Ratio	L9 / L10	.00029
13. Monthly Rate / Cost Ratio	L10 / L9	3461.53846

Bell Atlantic
Outward Call Blocking
Recurring Cost Development

<u>Category</u>	<u>Source</u>	
1. Unit Investment	Cost Study	\$1.37187
2. Depreciation	Cost Study	\$.17089
3. Cost of Money	Cost Study	\$.11996
4. Income Tax	Cost Study	\$.06488
5. Maintenance	Cost Study	\$.12759
6. Administration	Cost Study	\$.04259
7. Other Tax	Cost Study	\$.00687
8. Annual Direct Costs	L2 + ...L7	\$.53278
9. Monthly Direct Investment Costs	L8 / 12	\$.04440
10. Proposed Monthly Rate		\$1.50
11. Annual Cost / Investment Ratio	L8 / L1	.38836
12. Cost / Monthly Rate Ratio	L9 / L10	.02960
13. Monthly Rate / Cost Ratio	L10 / L9	33.78505

ATTACHMENT 4

U S WEST'S ILLUSTRATIVE TARIFF

Issued: {

Effective: }

5. EXCHANGE SERVICES

5.5 PUBLIC COMMUNICATION SERVICE - COIN AND COINLESS

5.5.7 PUBLIC ACCESS LINE SERVICE

A. Description

1. Public Access Line (PAL) Service is provided for use with customer-owned pay telephones at locations accessible to the public, subject to the availability of existing CO facilities and special operator equipped locations, as appropriate, e.g., TOPS.

Smart PAL Service

Smart PAL Service is a flat or message, two-way or outgoing line which utilizes central office coin control features. This service provides:

- Coin signaling, including coin collect and coin return.
- Company completed and carried local and intraLATA toll messages, both sent paid and non-sent paid.
- Company operator services/systems for all 0-, 0+ and 1+ intraLATA toll calls, and 0+ local calls.
- Routing to the presubscribed carrier for all 0+ and 00- interLATA calls.
- Pay-per-call blocking (e.g. 900 and 976).
- Incoming and outgoing call screening.
- Access to:
 - Directory assistance,
 - 911 emergency code,
 - All interexchange carriers,
 - 800/800-type service and 950 telephone numbers,
 - Company repair service.

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5. EXCHANGE SERVICES

**5.5 PUBLIC COMMUNICATION SERVICE - COIN AND COINLESS
5.5.7 PUBLIC ACCESS LINE SERVICE (Cont'd)**

B. Terms and Conditions

1. For customer-owned pay telephones with unrestricted access to the local network, PAL Service will be provided on a flat, message or measured rate basis.
2. PAL is the only service offered for use with customer-owned pay telephones. In the event it becomes apparent that a customer-owned pay telephone is attached to a line not authorized for such use, the Company reserves the right to disconnect that customer's service. However, should the customer so request, the Company will install a Public Access Line at the rates and charges specified herein.
3. Two-way PAL Service rates and charges include one business directory listing. Additional listings will be furnished at rates and charges specified in 5.7.
4. PAL Service is not represented as adapted for data service. PAL Service contemplates the provision of satisfactory voice transmission only.
5. Joint User Service is not available with PAL Service.
6. Calls to directory assistance, 911, and telephone repair service are not subject to measured PAL usage charges.

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5. EXCHANGE SERVICES

5.5 PUBLIC COMMUNICATION SERVICE - COIN AND COINLESS

5.5.7 PUBLIC ACCESS LINE SERVICE

B. Terms and Conditions (Cont'd)

7. Extension service is allowed.
8. Terms, conditions, rates and charges as described elsewhere in this Tariff apply as appropriate.
9. Changing to or from Basic and Smart PAL Service may require a telephone number change.
10. Optional toll calling plans, specified in 6.3 may be available to PAL Service customers. See individual tariff section for restrictions.
11. Loop Diversity and/or Avoidance defined in the Private Line Transport Services Tariff are available with PAL Service.
 - a. Customers subscribing to Loop Diversity must also have additional facilities for the diverse route.
 - b. Customers subscribing to Avoidance may also be required to pay Foreign Central Office charges, as defined in Section 5 of the Private Line Transport Services Tariff.
12. The Company is not liable for shortages of coins deposited and/or collected from the pay telephones used on PAL Service.
13. The Company is not liable for end-user fraud associated with failure of the customer's pay telephones to perform correctly.
14. The following terms and conditions are specific to Smart PAL Service:
 - a. Separate lines are used for each pay telephone instrument installed. Off premises extensions are not permitted.
 - b. Until other carriers can provide sent-paid InterLATA coin service, all direct dialed InterLATA and International (1+, 10XXX+1, and 011+) calls will be forwarded to AT&T for coin rating and completion.
 - c. The customer must insure that the telephone sets used with Smart PAL Service are capable of rating sent-paid local calls and are compatible with, and cause no harm to the Company's network.

Issued: {

Effective: }

5. EXCHANGE SERVICES

5.5 PUBLIC COMMUNICATION SERVICE - COIN AND COINLESS

5.5.7 PUBLIC ACCESS LINE SERVICE (Cont'd)

C. Responsibility of the Customer

1. The PAL customer will be responsible for:

- a. The installation, operation, and maintenance of any customer-owned pay telephone used in connection with this service.
- b. The rates and charges incurred on the Public Access Line. Toll adjustments will not be allowed on the PAL account, unless due to Company error.
- c. The refund of coins when lost or collected in error by the customer-owned pay telephone.
- d. The payment of Maintenance of Service Charges for visits made by a Company employee to the customer's premises when a service difficulty or trouble report results from the customer-owned pay telephone.

Issued: {

Effective: }

5. EXCHANGE SERVICES

5.5 PUBLIC COMMUNICATION SERVICE - COIN AND COINLESS

5.5.7 PUBLIC ACCESS LINE SERVICE (Cont'd)

D. Rates and Charges

1. Smart Public Access Lines will be provided at the following rates and charges:

	USOC	NONRECURRING CHARGE	MONTHLY RATE
• Flat Usage PAL Service			
- Outgoing only, per line	5FO	\$\$.\$\$	\$\$.\$\$
- Two-way, per line	5FP	\$\$.\$\$	\$\$.\$\$
• Message Usage PAL Service			
- Outgoing only, per line	14C	\$\$.\$\$	\$\$.\$\$
- Two-way, per line	1NH	\$\$.\$\$	\$\$.\$\$
• Monthly Usage Rates			
			RATE PER CALL
- Message Usage Rate			\$x.xx

2. The following nonrecurring charge for changes applies:

- To each line when changing the type of service (either measured or flat) or from one PAL line to another;
- To telephone number changes, at customer's request;
- For temporary transfer of calls, at customer's request.

	NONRECURRING CHARGE
• Per activity, per CO access line changed	\$X.XX